

Monthly Market Commentary

On the face of it, August was an unremarkable, positive month for global equities. However, the headline numbers masked considerable activity. Wild price swings across major indices and a spike in volatility were symptomatic of a market seeking a clearer direction in the face of a worsening economic outlook. Above all, investors sought stability.

Equity leadership continued its shift towards companies in sectors that offered more predictable earnings, solid balance sheets and lower reliance on future growth to justify valuations. Signs of weakening global demand pushed the price of oil and commodities down. Softening labour markets in America nudged rate expectations lower, with the USD notably weak against a basket of currencies. The Japanese yen was particularly strong.

In the US, investors rotated towards the large-cap stocks of more stable companies, favoured tech stocks less and shunned small caps. The broad-based S&P500 was up 2.3%, ahead of the tech-heavy Nasdaq, up 0.6%, and well ahead of the mid-cap S&P600, down -1.6%. European markets delivered small but positive results with the continent-wide Stoxx 600 up 1.3%. Regionally, the DAX performed best with a positive return of 2.2%, the French CAC was up 1.3% while the UK's FTSE100 index was barely up at +0.1%.

In Japan, the Nikkei was down by a spectacular -19.5% early on in August but ended the month down just -1.2%. The culprit was a hawkish BOJ that triggered a spike in the yen and a carry-trade unwind. The BOJ eventually backtracked on its rhetoric, reversing most of the losses. Elsewhere in Asia, the Shanghai Composite stood out as particularly weak and was down -3.3%, continuing its slide as China grapples with deepening economic woes.

Global sector performance reflected the shift in leadership towards stability. The best performing sectors were Healthcare, Consumer Staples and Utilities, delivering +5.4%, +5.2% and +4.3%, respectively. Growth sectors that are hosts to the big tech names were up only marginally, with IT and Communication services up by +1.4% and 1.7%, respectively. Consumer discretionary was up just 0.6%, reflecting weakening fundamentals for consumer facing stocks. Energy was the only sector in the red, down -3.7% as the oil price continued falling.

Against this backdrop the Fund delivered a return of +0.91% for the month.

The AUD had a very strong month, gaining 3.4% against the USD driven by divergent interest rate differentials. WTI Oil continued to slide lower, falling 5.6% in August after a similar decline in July. Volatility was on a rollercoaster, with the VIX starting the month at 16.4, then hitting 38 on the 5th of August before retreating down to 15, 1.4 points lower than it started. Yields on 10yr US Treasuries fell 13bps to 3.90%.

The top contributor to the Fund's performance this month was Secom, a Japanese security provider. The company announced a price increase of 8% on its commercial security services offering, triggering an increased confidence in the earnings profile going forward. Another top contributor to performance was Bunzl, a global distributor headquartered in the UK. A strong earnings report and an upgrade to forward guidance boosted the shares.

FEMSA, a Mexican retailer, was the only material detractor to performance this month. This was almost entirely driven by the continued weakness in the Mexican peso, which depreciated by almost 9% relative to the AUD. We sold calls on the shares in July and are looking to exit the position.

This month the Fund exited NN, a Dutch insurance business, on valuation grounds. The fund initiated a new position in Randstad, a global staffing business. The shares offer an attractive risk/reward skew given its depressed valuation despite potential cyclical risks. The business has a very flexible cost base and a strong track record of managing costs. A solid balance sheet also means the business can keep funding shareholder returns (buybacks and special dividends) should a P&L weakness persist.

We believe the most compelling way to compound clients' wealth is by utilising multiple return sources to deliver superior risk-adjusted investment outcomes.

- Long-term compounding of investor wealth
- Multiple sources of return
- Quarterly distributions
- Risk focused investment mindset



The investment process behind the Talaria Global Equity Fund (Managed Fund) takes a high conviction, value biased approach to construct a portfolio of high quality, large cap companies from around the globe. Our unique investment methodology harnesses the benefits of consistent income generation and capital appreciation to grow investors' real wealth.

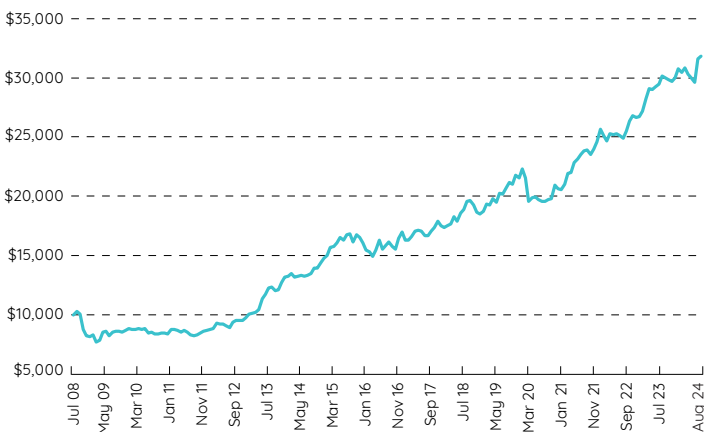
Performance as at 31 August 2024¹

| | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years (pa) | 5 Years (pa) | 7 Years (pa) | 10 Years (pa) | Since Inception (pa) ² |
|-----------------------------------|---------|----------|----------|--------|--------------|--------------|--------------|---------------|-----------------------------------|
| Total Return | 0.91% | 6.28% | 4.71% | 5.59% | 10.20% | 9.04% | 9.69% | 8.97% | 7.49% |
| Avg. Market Exposure ⁴ | 65% | 66% | 62% | 59% | 57% | 56% | 58% | 59% | 61% |

¹ Fund Returns are calculated after fees and expenses and assume the reinvestment of distributions
² Inception date for performance calculation is 18 August 2008
³ Past performance is not a reliable indicator of future performance

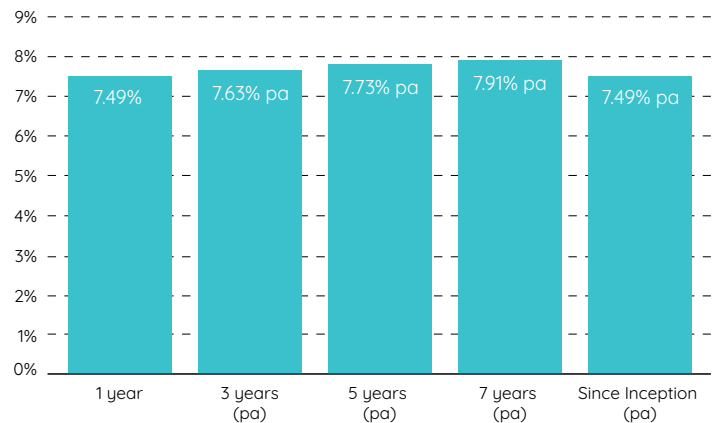
⁴ Average Market Exposure calculated on delta-adjusted exposure of underlying portfolio. Since inception market exposure is calculated from September 2008

Growth of \$10,000 Since Inception⁵



⁵ Calculations are based on exit price, net of management fees and expenses and assumes reinvestment of distributions Past performance is not a reliable indicator of future performance

Annual Distributions⁶



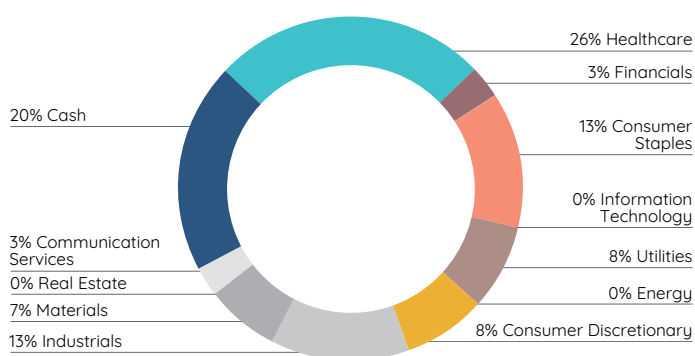
⁶ Illustrates Distribution Returns for the Talaria Global Equity Fund (Managed Fund) Units for the financial year ending 30 June 2024. Inception date is 18 August 2008.

Top 10 Holdings⁷

| Company Name | Holding | Country | Sector | Description |
|-------------------|---------|-------------|------------------------|--|
| Roche | 6.5% | Switzerland | Healthcare | A global leader in cancer treatments |
| WEC Energy | 5.1% | USA | Utilities | A US regulated electricity and gas utility company |
| Sanofi | 5.0% | France | Healthcare | Top 5 pharmaceutical firm with leading positions in diabetes and rare diseases |
| Gilead | 4.8% | USA | Healthcare | Leading research based biopharmaceutical company |
| Johnson & Johnson | 4.3% | USA | Healthcare | Pharmaceutical, medical devices and consumer health products company |
| Alibaba | 4.2% | Hong Kong | Consumer Discretionary | One of the world's largest eCommerce and technology groups |
| Henkel | 4.0% | Germany | Consumer Staples | A multinational household products and adhesives company |
| CF Industries | 3.8% | USA | Materials | North America's largest manufacturer of nitrogen-based fertiliser |
| Secom | 3.8% | Japan | Industrials | Japan's largest protective and electronic security solutions provider |
| Nestle | 3.6% | Switzerland | Consumer Staples | The world's largest food company measured by revenues |

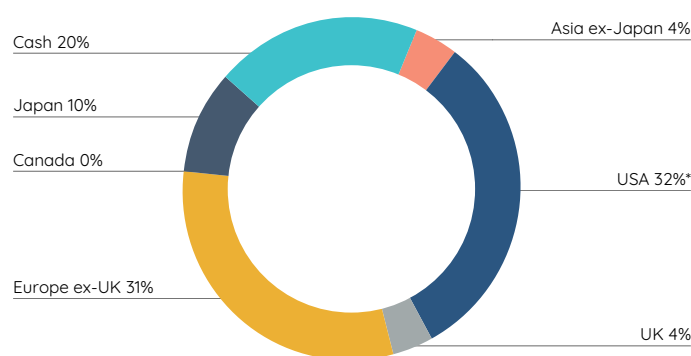
⁷ Weightings include option positions held and cash backing put options. It assumes that put options will be exercised. Should the put option not be exercised the cash will revert to the unencumbered cash portfolio or may be used to cover further put options.

Sector Allocation⁸



^{8,9} Weightings include option positions held and cash backing put options. It assumes that put options will be exercised. Should the put option not be exercised the cash will revert to the unencumbered cash portfolio or may be used to cover further put options.

Regional Allocation⁹



* USA includes American Depositary Receipts (ADRs) listings.

Fund Snapshot

| | | | |
|------------------------------------|--|---------------------------|-------------------------|
| APIR Code | AUS0035AU | Inception Date | 18 August 2008 |
| Management Fee | 1.16% p.a. of the net asset value of the Fund plus Recoverable Expenses | Liquidity | Daily |
| Recoverable Expenses | Estimated to be 0.12% of net asset value of the Fund each Financial Year | Exit Price | \$5.04470 (31 Aug 2024) |
| Major Platform Availability | AMP North, Asgard, Ausmaq, BT Wrap, BT Panorama, CFS FirstWrap, CFS FirstChoice, Hub24, IoniQ, IOOF Pursuit, Linear, Macquarie, Mason Stevens, MLC Wrap, MLC Navigator, MyNorth, Netwealth, Powerwrap, Praemium, Xplore Wealth | Buy / Sell Spread | 0.20% / 0.20% |
| | | Distributions | Quarterly |
| | | Minimum Investment | \$5,000 |

Important Information

Units in the Talaria Global Equity Fund (Managed Fund) (the Fund) are issued by Australian Unity Funds Management Limited ABN 60 071 497 115, AFS Licence No. 234454. Talaria Asset Management Pty Ltd ABN 67 130 534 342, AFS Licence No. 333732 is the investment manager and distributor of the Fund. References to "we" means Talaria Asset Management Pty Ltd, the investment manager. The information in this document is general information only and is not based on the objectives, financial situation or needs of any particular investor. In deciding whether to acquire, hold or dispose of the product you should obtain a copy of the current Product Disclosure Statement (PDS) and the target market determination for the Fund and consider whether the product is appropriate for you. A copy of the PDS and the target market determination is available at australianunity.com.au/wealth or by calling Australian Unity Wealth Investor Services team on 1300 997 774. Investment decisions should not be made upon the basis of the Fund's past performance or distribution rate, or any ratings given by a rating agency, since each of these can vary. In addition, ratings need to be understood in the context of the full report issued by the rating agency itself. The information provided in the document is current at the time of publication.

The Zenith Fund Awards were issued on 14 October 2022 by Zenith Investment Partners (ABN 27 130 132 672, AFSL 226872) and are determined using proprietary methodologies. The Fund Awards are solely statements of opinion and do not represent recommendations to purchase, hold or sell any securities or make any other investment decisions. To the extent that the Fund Awards constitutes advice, it is General Advice for Wholesale clients only without taking into consideration the objectives, financial situation or needs of any specific person, including target markets where applicable. Investors should seek their own independent financial advice before making any investment decision and should consider the appropriateness of any advice. Investors should obtain a copy of and consider any relevant PDS or offer document before making any investment decisions. Past performance is not an indication of future performance. Fund Awards are current for 12 months from the date awarded and are subject to change at any time. Fund Awards for previous years are referenced for historical purposes only. The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by Talaria Asset Management. Neither MSCI, S&P nor any third party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

Signatory of:

